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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service
Washington 25, D. C.

AMS INSTRUCTION No. 408-2
Rev. 1

ACTION BY: Food Distribution Division
Budget and Finance Division
Area Administrative Divisions

Special Milk Program Fiscal and Accounting Procedures

I PURPOSE

This Instruction outlines the fiscal and accounting procedures to be followed in connection with funds advanced by the Commodity Credit Corporation (CCC) through the Commodity Stabilization Service (CSS) for carrying out the Special Milk Program.

II CANCELLATION

AMS Instruction No. 408-2, Special School Milk Program Fiscal and Accounting Procedures, dated 12-2-54, is superseded by this revision. Specific changes are not indicated because of the general nature of the revision.

III DEFINITIONS

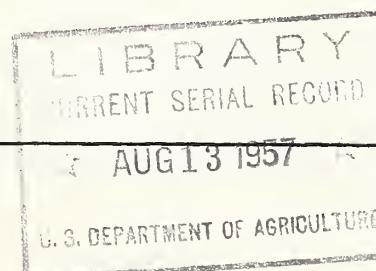
A Allotment. An authorization to an allottee to incur obligations within a specified amount. Allotments are issued on Form AMS-1, Allotment Advice.

B Allottee. The head of an office in the Food Distribution (FD) Division responsible for keeping obligations within the amount of the allotment.

C Schedule. The division of funds among the States and Territories.

D Reschedule. A revision of the original schedule.

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E Obligations Incurred. Amounts to be paid to State and Territorial agencies and to nonprofit private schools and child-care institutions pursuant to agreements entered into under the Special Milk Program.

F Nonprofit Private School, or Child-Care Institutions. Any school or institution having an agreement directly with AMS and under which agreement AMS makes payments directly to such school or institution.

G Payments. The amounts of expenditure checks issued representing advances to State and Territorial agencies or payments to nonprofit private schools or child-care institutions, net of refunds received and acknowledged by a disbursing office or depository bank.

IV GENERAL

A The Special Milk Program is authorized by Public Law 465, 84th Congress, to carry out the provisions of Section 201(c) of the Agricultural Act of 1949, as amended. Under this program CCC will advance funds from (1) capital funds for program purposes, and (2) administrative funds, from the CCC administrative expense limitation, for administering the program. Separate accountability for these funds is required. The funds transferred from the administrative expense limitation will be billed, recorded, and accounted for in accordance with procedures governing regular administrative expense fund accounting.

B Allotments of Special Milk Program Funds will be made on an annual basis.

C Obligations under the Special Milk Program will be maintained and adjusted as prescribed herein.

D Funds shall be advanced to State and Territorial agencies on a quarterly basis, and payments to nonprofit private schools and child-care institutions in which the program is administered by AMS shall be made on a monthly basis.

V RESPONSIBILITIES

A Food Distribution Division. The FD Division shall:

1 Prepare a schedule showing the division of Special Milk Program funds among the States and Territories, broken down by State and

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Territory to indicate (a) amounts to be allowed for payment to State and Territorial agencies, and (b) amounts to be allowed for payment directly to nonprofit private schools and child-care institutions.

2 Prepare Form AMS-1, Allotment Advice, covering funds for the operation of the Special Milk Program. (Allotments for State or Territorial agency advances and for payments to nonprofit private schools and child-care institutions will be made on an annual basis.)

3 Submit Form AMS-1 together with the schedule of division of funds to the Budget and Finance (BF) Division.

4 Serve as allottee for Special Milk Program funds to be used in making advances to State and Territorial agencies or payments to nonprofit private schools and child-care institutions, ensuring that obligations incurred do not exceed the cumulative amount available under any allotment. The Director, FD Division, is the allottee for payments to be made to State and Territorial agencies, and the Area Field Supervisors, FD Division, are the allottees for cash payments to nonprofit private schools and child-care institutions.

5 Furnish the BF Division with estimated yearly obligations by allottee.

6 Furnish the BF Division with estimated quarterly cash requirements under each allotment advice; and review periodically and furnish the BF Division with any necessary revisions.

7 Prepare payment documents specifying the amounts of funds to be advanced to State and Territorial agencies, and submit them to the BF Division for payment.

8 Review the estimated obligations periodically to determine whether adjustments are required, and advise the BF Division when adjustments are necessary. In any event make a report on March 1 and June 1 with respect to the review of obligations made immediately prior to these dates. The report shall indicate, by allottee, the estimated obligations which are expected to be incurred for the fiscal year.

B Budget and Finance Division. The BF Division shall:

1 Review and finalize allotment advices.

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2 Submit to the Administrator, for his consideration and approval, the schedule of funds as proposed by the FD Division, together with any comments which are deemed necessary.

3 Based on the cash requirement estimates as furnished by the FD Division, bill CCC through CSS for advances of program funds as needed.

4 Advise the Area Administrative (AA) Divisions of the quarterly cash limitations applicable to payments to nonprofit private schools and child-care institutions in their respective areas.

5 Schedule for payment the vouchers covering the advances to State and Territorial agencies in accordance with the payment documents prepared by the FD Division.

6 Set up and maintain an appropriate allotment ledger account; record therein allotments, obligations, and payments made; and furnish the Director, FD Division, each month with a copy of such account.

C Area Administrative Division. Within the area for which it is responsible, each AA Division shall:

1 Examine and approve for payment the claims (Form FD-6, Claim for Reimbursement) submitted by nonprofit private schools and child-care institutions operated under the Special Milk Program. Such payments shall be subject to the cash limitation furnished by the BF Division.

2 Set up and maintain appropriate allotment ledger accounts; and record therein allotments, obligations, and payments made to nonprofit private schools and child-care institutions, identifying the entries by document number, FD Division transmittal number, and month and year. Copies of the allotment ledger accounts, including subsidiary ledger accounts, shall be furnished to the appropriate Area Field Supervisors, FD Division, as follows:

Office Maintaining Allotment
Ledges

Eastern Area Admin. Division
" " " "

Central Area Admin. Division
" " " "

Western Area Admin. Division

Food Distribution Division Office
(Allottee)

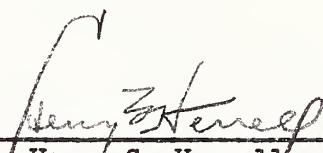
Northeast (New York City)
Southeast (Atlanta)

Midwest (Chicago)
Southwest (Dallas)

Western (San Francisco)

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3 Furnish monthly to the BF Division an allotment ledger summary of payments made to nonprofit private schools and child-care institutions, summarizing the disbursements by States and Territories.



Henry G. Herrell
Assistant Administrator for Management

